

Nominating a Parcel for Trust Land Transfer

The Trust Land Transfer (TLT) Program is in transition.

In 2021 and 2022, DNR and an external work group worked together to improve the Trust Land Transfer (TLT) program. The changes proposed as part of this effort will make the TLT program stronger, more transparent, and more effective. A <u>summary of these proposed changes</u> can be found on DNR's Trust Land Transfer webpage.

These proposed changes have not yet taken effect, because they are subject to legislative approval and funding. DNR currently is working with the legislature to make these changes a reality. Until they are approved, the TLT Program will continue operating as it has for the past 33 years.

Until the outcome of the 2023 legislative session is known, DNR can neither schedule the application period for the 2025-27 biennium, nor provide detailed instructions for how to nominate a parcel for transfer. However, in this document DNR is providing you with enough information to identify potential parcels for the TLT program, and possibly contact a receiving agency about accepting and managing the parcel you are considering.

When the 2023 legislative session ends, DNR will schedule the application period open and closing dates and post them on its website. DNR anticipates the application period will close no earlier than the end of September 2023.

In addition, DNR will publish a series of web pages about the program and the application process that will be linked off the <u>land transactions page</u> of DNR's website. DNR anticipates posting the web pages approximately a month after the 2023 legislative session ends.

Who can nominate a parcel for TLT?

Anyone can nominate a parcel for TLT.

Do I need to identify a willing receiving agency?

Yes. To nominate a parcel, you must find a receiving agency that is willing and able to accept the transferred parcel and manage it indefinitely.

The receiving agency must be a public agency or Tribe. Examples of public agencies include but are not limited to the following:

- DNR's Natural Areas Program
- Washington State Parks and Recreation Commission ("State Parks")
- Washington State Department of Fish and Wildlife
- Cities or towns
- Counties
- Public utility districts

Parcels should be managed to preserve or enhance their ecological values and public benefits. Many past transfers have become parks, open spaces, or nature preserves.

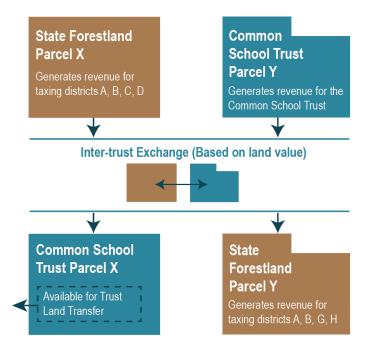
Important! For a receiving agency, accepting a parcel can be a major decision. The agency is not just accepting land, but the responsibility and expense of managing that land for years into the future. This decision takes time. Agencies may need to work through their own planning process, which includes understanding how the parcel fits into long-term management plans and agency budgets, and also doing outreach within and outside of their organization. This process can take weeks, months, or even years for some agencies. For that reason, DNR recommends you contact a receiving agency as soon as possible.

Which DNR-managed lands can be nominated for the TLT Program?

The TLT program is open to <u>state trust lands</u>¹ only, which are lands that are managed to generate revenue for specific trust beneficiaries such as public schools and universities. <u>Aquatic lands</u> and lands managed under DNR's Natural Areas Program are not state trust lands and therefore not eligible for TLT.

Any type of state trust lands can be nominated for TLT. However, lands that are not within the Common School Trust must undergo an intertrust exchange before they are transferred (Figure 1). The current program also is heavily biased toward forested parcels.

As part of TLT revitalization, DNR is working with the legislature to eliminate the requirement for intertrust exchanges and make the program more open to non-forested parcels. These changes would make the TLT program much more flexible and effective for managing the state trust lands portfolio.



Inter-trust Exchange, with State Forestlands as an example

If these changes are not passed by the legislature, inter-trust exchanges will continue to be required for non-Common School Trust lands, and forested parcels will continue to be strongly preferred for transfer.

¹ DNR manages two categories of state trust lands. The first category is the federally granted lands, or <u>State Lands</u>, which were granted to the state at statehood through the 1889 Enabling Act as a means of support for various public institutions in the new state. Within this category, DNR manages seven trusts, the largest of which is the Common School Trust. This trust supports construction of public kindergarten through 12th grade schools across Washington. The second category is State Forestlands, the majority of which were acquired by 21 counties in the 1920s and 1930s through tax foreclosure. Most of these lands were transferred to the State of Washington and <u>placed in trust status</u>. The beneficiaries of State Forestlands are the counties in which these lands are located.

Are their restrictions on parcel size?

No, there is no minimum or maximum size for a transfer. However, larger transfers require more funding and could have significant impacts on trust beneficiaries, Tribes, and local communities, especially if the transfer includes State Forestlands.

For that reason, DNR requires a pre-application meeting for transfers that include 9,000 acres or more, or have an estimated value of \$30 million or more. DNR also strongly recommends a pre-application meeting for transfers that include 1,500 acres or more of State Forestlands. The meeting must include the applicant, DNR, and the public agency or Tribe who will receive and manage the parcel. DNR recommends you arrange a meeting before the end of June 2023. Contact DNR to make arrangements. Names and phone numbers of DNR staff are listed under Contacts.

What makes a parcel a good fit for TLT?

The TLT program is for parcels that are both <u>financially underperforming</u>, and have high ecological values and public benefits.

A few examples of ecological values are habitat for threatened and endangered species, rare plant communities, unique habitat types, or old-growth forest as defined in DNR's <u>Policy for Sustainable Forests</u>.

Some examples of public benefits are opportunities for outdoor, natural-resource based recreation such as hiking, horseback riding, bird watching, or fishing; opportunities for environmental education or scientific study; or preservation of distinct landscape features.

To select a parcel, it helps to understand two key steps in the TLT process: the best interests of the trusts analysis, and the prioritization process.

Best Interests of the Trusts Analysis

DNR will analyze all nominated parcels to determine whether it is in the trust's best interests to keep the parcel, or transfer it out of trust status and replace it. DNR will conduct this analysis regardless of the outcome of the 2023 legislative session.

This analysis is focused on the potential of the nominated parcel to generate revenue for trust beneficiaries. In this analysis, DNR will first determine how the parcel is being used currently, and how much revenue those activities are generating (if any). For example, DNR will check for planned timber sales and leases for activities such as grazing or agriculture.

Next, DNR will examine each parcel through multiple lenses to assess its potential for generating revenue in the future. Examples include legal and road access, soil quality, topography and rainfall, and management restrictions per current policies and laws. DNR also will consider current zoning and surrounding land uses that may affect how the parcel can be managed, today and into the future. In addition, DNR will consider if the parcel can be used to generate solar or wind power.



Morning Star Natural Resource Conservation Area

Steep, high-altitude areas often have poor soils that make them unsuitable for timber production.

Prioritization

Each biennium, DNR submits

a funding request for a list of proposed transfers to the Washington State Legislature. Due to the many, competing financial needs of the state, DNR may not receive enough funding to transfer all the parcels on the list.

As part of TLT revitalization, DNR is proposing to establish an external advisory committee. The committee's role would be to prioritize the list of nominated, eligible parcels using a set of prioritization criteria, such as community involvement and support, tribal support, economic values, ecological values, and public benefits.

DNR will submit the list of eligible parcels to the legislature for funding in order of priority, and those parcels that are funded will be transferred in order of priority. Lower-ranked parcels that are not funded could be resubmitted for consideration in the next biennium.

The prioritization process is subject to legislative approval and the outcome of DNR's operational budget funding request in the 2023 legislative session. If these changes are approved, DNR will provide more detail about the prioritization criteria and the advisory committee, including how to apply for membership.

Where can I find maps of state trust lands?

Maps are available for download or purchase <u>at this link</u>. A wealth of information about state trust lands is available through DNR's <u>GIS portal</u>.

How do I nominate a parcel?

After the 2023 legislative session closes, DNR will post an application that you may download and fill out. DNR also will provide the final due date and instructions on where to send the application.

The application must be signed by the applicant and the receiving agency. Along with the application, you will be asked to submit the following:

- A map clearly showing the size, shape, and location of the parcel (required). Please include section boundary lines for geographic reference.
- A letter of intent from the receiving agency to accept and manage the parcel (required).
- Letters of support from the community, receiving agency, advocacy groups, neighborhood associations, or others. Letters of support are optional, but strongly recommended. If you need more time to obtain letters of support, they can be submitted to DNR until April 1, 2024.

DNR recommends you work closely with the receiving agency to develop the application. The application will include questions for the receiving agency to answer about how the parcel will be managed.

When writing your application, be aware that DNR records and files are subject to the Public Records Act (RCW 52.46). Make sure you do not include confidential or sensitive information in your application that cannot be made public. Under the revitalized TLT program, DNR also plans to post all successful applications to its website.

Who can help me with my application?

Contact <u>Robin Hammill</u> or <u>Robert Winslow</u> for assistance with your application and other questions.

How will I know what happened to my application?

If your application is not accepted, DNR will send you an email explaining why. Unsuccessful applications can be improved and resubmitted in the next biennium.

If your proposed parcel is considered eligible for trust land transfer, DNR will email you and the receiving agency to let you know.

If the revitalized TLT program is approved and funded, you will be required to present your parcel to the advisory committee. In the email, DNR will let you know and provide necessary instructions.